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February 2, 2021

***VIA ELECTRONIC FILING***

Utah Public Service Commission  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, UT 84114

Attention: Gary Widerburg  
Commission Administrator

**RE: Docket No. 20-035-17**

In the Matter of the Application of Rocky Mountain Power for a Deferred Accounting Order Regarding Costs Incurred Due to the COVID-19 Public Health Emergency  
*Quarterly Compliance Filing*

In accordance with the Order Approving Account Order issued by the Utah Public Service Commission on September 15, 2020, Rocky Mountain Power hereby files its quarterly compliance filing for the period ending December 31, 2020.

Informal questions may be directed to Jana Saba at (801) 220-2823.

Sincerely,

Joelle Steward  
Vice President, Regulation

Service List: Docket No. 20-035-17

**CERTIFICATE OF SERVICE**

Docket No. 20-035-17

I hereby certify that on February 2, 2021, a true and correct copy of the foregoing was served by electronic mail to the following:

**Utah Office of Consumer Services**

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**Rocky Mountain Power**

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Mary Penfield  
Adviser, Regulatory Operations

**COVID-19 Deferred Accounting Quarterly Report**

**Date: December 31, 2020**

On September 15, 2020, the Public Service Commission of Utah (“Commission”) approved Rocky Mountain Power’s (the “Company” or “RMP”) application for a deferred accounting order pertaining to certain costs RMP incurred as a result of the COVID-19 Public Health Emergency (“Application”). As part of its request, the Company offered to provide quarterly accounting reports and agreed to include the additional information requested by the Office of Consumer Services (“Office”) in its comments filed June 2, 2020.

***Utah Bad Debt Expense***

The Company is specifically tracking bad debt expense (FERC account 904). The Company calculates a provision for estimated bad debt expense on a monthly basis using historical write-offs (net of recoveries) as a percentage of the respective aging bucket. Those percentages are then applied to current aging buckets. The results of this monthly provision exercise, coupled with actual write-offs and recoveries, represents total bad debt expense. Attachment A shows the Utah bad debt expense for January through December 31, 2020 compared to the 2019 baseline uncollectible rate of 0.195% as established in the Company’s Application.

***Other Costs and Cost Savings Associated with the COVID-19 Pandemic***

In addition, the Company has identified the following costs and savings directly related to the Company’s actions to ensure safe working conditions for employees (amounts are through December 31, 2020 and are on a total company basis):

- Increased labor and facility costs to enable social distancing - \$2,234,464;
- Increased costs for personal protective equipment, cleaning supplies and contact tracing - \$957,785
- Increased technology costs to enable employees to work from home - \$503,870;
- Reduced employee expenses related to travel and training - (\$7,090,515)

***Policy Changes***

As recommended by the Office in their June 2, 2020 comments, the Company discloses the following policy changes. The Company notes that there have been no new changes since the September 30, 2020 quarterly report.

The pursuit of past due accounts

In response to the pandemic and resulting economic impacts, the Company has temporarily modified the following policies:

1. Prior to the pandemic, the Company’s typical policy was to send a collection notice when an account is in arrears greater than \$50. Beginning on March 16, 2020, a moratorium was placed on the collections process and since that moratorium was lifted in August 2020 the Company has utilized a modified approach to issue collection notices based on the table below, which is designed to return to the normal policy by April 2021.

	Residential	Non-Residential
Aug 2020	>=\$300	>=\$500
Nov 2020	>=\$250	>=\$400
Jan 2021	>=\$200	>=\$300
Feb 2021	>=\$150	>=\$200
Mar 2021	>=\$100	>=\$100
Apr 2021	>=\$50	>=\$50

2. Beginning April 16, 2020, the Company began offering customers that have closed accounts who express they are unable to pay the balance in full an extension of up to six months to pay their closing charges in installments. Prior to the pandemic, closed accounts were typically assigned to outside collections approximately 30 days after the customer closed their account.
3. Non-residential customers who are assessed a deposit at the time of connecting service are normally given 2 months to pay their deposit (2/3 the first month and 1/3 the second month). On April 16, 2020, the Company began allowing customers to extend this to three equal installments.
4. Beginning June 5, 2020, the Company began offering the following payment plans to customers:
  - a. Residential customers: 12 month payment plan option with a deferred installments for the first three months or 6 month plan, late fee exempt during plan if installments met.
  - b. Non-residential customers: payment plans available for up to six months. Requires a 20% down payment to start the payment plan or option to pay in full in exchange for waived late fees from March 2020 to current date.

Estimating uncollectible accounts and bad debt expense

The Company has not changed any policies related to estimating uncollectible accounts and bad debt expense.

Accounting for bad debt expense

The Company has not changed any policies related to accounting for bad debt expense.

# **Attachment A**

Utah Bad Debt Expense

2020	January	February	March	April	May	June	July	August	September	October	November	December	Total YTD
Bad Debt Provision	\$ 219,226	\$ 20,132	\$ 620,624	\$ 238,667	\$ -	\$ (230,868)	\$ 340,982	\$ 387,969	\$ 246,919	\$ 1,773,295	\$ (1,018,404)	\$ 118,863	\$ 2,717,405
Write-offs													\$ 7,255,793
Recoveries													\$ (3,852,097)
Utah total Bad Debt Expense													\$ 6,121,101
YTD Revenue													\$ 2,042,700,000
Bad debt as a % of Revenue													0.30%

2019	Total 2019
Bad debt as a % of Revenue	0.1950%

Incremental COVID-19 impact
\$ 3,983,265
\$ 2,137,836

2020 bad debt expense using 2019 bad debt expense rate

Incremental bad debt expense attributed to COVID